Instruction 1(b)

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL

OMB Number: 3235-0287
Estimated average burden hours per response: 0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* Kelly James Patrick						2. Issuer Name and Ticker or Trading Symbol Vanda Pharmaceuticals Inc. [VNDA]								5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner X Officer (give title Other (specify				
(Last) (First) (Middle) 9605 MEDICAL CENTER DRIVE SUITE 300					3. Date of Earliest Transaction (Month/Day/Year) 12/06/2011									SVP, CFO, Sec & Treasurer				
(Street) ROCKVILLE MD 20850 (City) (State) (Zip)					4. If Amendment, Date of Original Filed (Month/Day/Year)								Line	6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person				
Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned																		
1. Title of Security (Instr. 3) 2. Transac Date (Month/Date)						r) E	2A. Deemed Execution Date, f any (Month/Day/Year)		3. Transaction Code (Instr.		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4 5)				es ally Following	Form:	Direct Indirect It. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
									Code V	,	Amount	(A) or (D) Price		Transact	Reported Transaction(s) (Instr. 3 and 4)			
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)																		
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Da if any (Month/Day/	ate, Tr	ransacti	ion	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisal Expiration Date (Month/Day/Year)		ble and 7. Title an		d Amount ies g Security	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction((Instr. 4)	is Silly	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Beneficial Ownership (Instr. 4)
				C	ode V	,	(A)	(D)	Date Exercisable	Ex Da	piration tte	Title	Amount or Number of Shares					
Employee Stock Option (Right to Buy)	\$4.88	12/06/2011			A		56,250		(1)	12	/05/2021	Common Stock	56,250	\$0.00	56,250	0	D	
Restricted Stock	(2)	12/06/2011			A		18,750		(3)		(4)	Common	18,750	\$0.00	18,750	0	D	

Explanation of Responses:

- $1. \ The \ option \ vests \ in \ 48 \ equal \ monthly \ installments \ beginning \ on \ January \ 6, \ 2012.$
- 2. Each Restricted Stock Unit represents a contingent right to receive a share of the Issuer's common stock.
- 3. The Restricted Stock Units vest in four equal annual installments beginning January 1, 2013. Vested shares will be delivered on the First Permissable Trading Day (as defined in the Restricted Stock Unit Agreement) that occurs on or after the day when the Restricted Stock Units vest.
- 4. Not Applicable.

Remarks:

/s/ James Patrick Kelly

12/07/2011

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

- * If the form is filed by more than one reporting person, see Instruction 4 (b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.